

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5997-04
Bill No.: HCS for HB 1842
Subject: Physicians; Licenses - Professional; Health Care Professionals; Boards,
Commissions, Committees, Councils
Type: Original
Date: April 11, 2014

Bill Summary: This proposal establishes licensure and practice requirements for assistant physicians.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$182,351)	(\$199,692)	(\$202,128)
Total Estimated Net Effect on General Revenue Fund	(\$182,351)	(\$199,692)	(\$202,128)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Various Other State Funds	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
MCMUA Fund	\$0*	\$0*	\$0*
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

*Income and Expenses net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	3	3	3
Total Estimated Net Effect on FTE	3	3	3

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that based on projects from the Executive Director of Healing Arts, it is estimated that 121 individuals in the state of Missouri will be required to be licensed. In addition, a 3% growth rate has been estimated.

DIFP assumes one Processing Technician I is needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations. Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as costs associated with mailings associated with initial licensure. Subsequent year's printing and postage is based on a board of similar size, Endowed Care.

During the first year of implementation costs are calculated for the design, program and implementation of the licensure program for new boards. This legislation does not provide any guidelines for handling complaints. Therefore, no enforcement costs have been figured for this fiscal note. Boards within the DIFP incur division wide expenses based on specific board licensee averages, in addition to department cost allocation plans. The following expenses are based on a board of similar size and will not require additional appropriation for the PR Transfer Core budget; however, these costs will be considered in calculating the anticipated license and renewal fees. These costs include maintenance of licensing system, division operating expenses, department cost allocation, and division personal service expenses. It is also assumed that without the authority to charge fees to these licensees, that funding would need to come from General Revenue to pay for the expenses related to licensure.

Officials from the **Department of Health and Senior Services (DHSS)** state the proposal requires the DHSS to establish and administer a program to increase the number of medical clinics in the medically underserved areas of the state. DHSS would work directly with counties and/or municipalities that wish to establish new medical clinics and who could contribute start-up money for these initiatives. DHSS would provide match money to the county or municipality's contribution up to \$100,000 per year or greater if DHSS makes a specific finding of need. DHSS is also tasked with seeking monies from all sources including the Missouri Foundation for Health to deposit into the new state Medical Clinics Underserved in Areas Fund (MCMUAF) to fund the program.

ASSUMPTION (continued)

For fiscal note purposes DHSS estimate is based on the total number of counties designated as Health Professional Shortage Areas (HPSA) and assumes a range of zero to 100% participation in the program. Missouri has 106 counties which are designated as primary care HPSAs. Therefore the range for matching funds from MCMUAF could be \$0 to \$10,600,000 (106 counties X \$100,000), as the legislation directs DHSS to prioritize based on need.

DHSS estimates the following staff would be required to administer the program:

One Program Manager (Health and Senior Services Manager Band 1, Class # 8174):
The Program Manager would direct the overall planning, development, and administration of assigned health programs, assist in the identification of program priorities and the development and implementation of new programs and services, and develop and coordinate a comprehensive public health system for a large geographic area related to the expansion of medical clinics.

One Program Representative (Health Program Representative III, Class # 0576 Step A24). The Health Program Representative III would assume responsibility as delegated by the program manager, for the planning, promotion, implementation, and evaluation of the public health program; maintaining liaison with other administrative units of the department, local governments, community groups, and others interested in program activities; developing program goals, objectives, policies, and procedures; monitoring program activities; managing program resources; assisting in budget development; tracking and monitoring expenditures; preparing assigned program fiscal reports, contracts, and grants; and assessing program effectiveness through program evaluation and data analysis and modifying program delivery to improve implementation and/or outcome.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Social Services** and the **Department of Mental Health** and the each assume the current proposal will not fiscally impact their respective agencies.

Section 324.001

Officials from the **DIFP** state that this section changes the various requirements for the Division of Professional Registration. It is unknown what professions or funds may be affected by this legislation in the future. Therefore, the fiscal impact to DIFP is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DIFP</u>			
Personal Service	(\$19,700)	(\$23,876)	(\$24,115)
Fringe Benefits	(\$10,048)	(\$12,178)	(\$12,300)
Equipment and Expenses	(\$10,534)	(\$1,804)	(\$1,827)
Other Fund Costs	<u>(\$755)</u>	<u>(\$774)</u>	<u>(\$813)</u>
<u>Total Costs - DIFP</u>	<u>(\$41,037)</u>	<u>(\$38,632)</u>	<u>(\$39,055)</u>
FTE Changes - DIFP	1 FTE	1 FTE	1 FTE
<u>Costs - DHSS</u>			
Personal Service	(\$73,367)	(\$88,920)	(\$89,810)
Fringe Benefits	(\$37,421)	(\$45,354)	(\$45,808)
Equipment & Expenses	<u>(\$30,526)</u>	<u>(\$26,786)</u>	<u>(\$27,455)</u>
<u>Total Costs - DHSS</u>	<u>(\$141,314)</u>	<u>(\$161,060)</u>	<u>(\$163,073)</u>
FTE Changes - DHSS	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$182,351)</u>	<u>(\$199,692)</u>	<u>(\$202,128)</u>
Estimated Net FTE Change on the General Revenue Fund	3 FTE	3 FTE	3 FTE
MEDICAL CLINICS IN MEDICALLY UNDERSERVED AREAS FUND			
<u>Income - DHSS</u>			
<u>Grant Funds (Section 1)</u>	\$0 to \$10,600,000	\$0 to \$10,600,000	\$0 to \$10,600,000
<u>Costs- DHSS</u>			
<u>Grant Funds (Section 1)</u>	<u>(\$0 to \$10,600,000)</u>	<u>(\$0 to \$10,600,000)</u>	<u>(\$0 to \$10,600,000)</u>
ESTIMATED NET EFFECT ON MEDICAL CLINICS IN MEDICALLY UNDERSERVED AREAS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
VARIOUS OTHER STATE FUNDS			
<u>Loss</u> - DIFP	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Regulatory Changes (Section 324.001)			
<u>Revenues</u> - Increase in Licensure Fees (Section 324.001)	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON VARIOUS OTHER STATE FUNDS	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Assistant Physicians would be required to be licensed through the Board of Healing Arts, as well as follow rules and regulations associated with the new license.

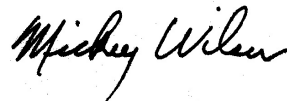
FISCAL DESCRIPTION

This proposal requires the Board of Registration for Healing Arts to license assistant physicians. In addition, requires the DHSS to establish and administer a program to increase the number of medical clinics in the medically underserved areas of the state.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Social Services
Department of Mental Health
Department of Health and Senior Services
Office of the Secretary of State



Mickey Wilson, CPA
Director
April 11, 2014

Ross Strobe
Assistant Director
April 11, 2014